

January 19, 1951.  
Judiciary No. 2.

**House File 129**  
By SLOANE, RYAN, McFARLANE,  
MUNGER and NELSON of Woodbury.

Passed House, Date .....

Vote: Ayes..... Nays.....

Passed Senate, Date .....

Vote: Ayes..... Nays.....

Approved .....

## A BILL FOR

An Act to amend section ninety-four point six (94.6), Code 1950,  
relating to limitation of employment agency fee.

*Be It Enacted by the General Assembly of the State of Iowa:*

- 1 Section 1. Section ninety-four point six (94.6), Code 1950, is
- 2 hereby amended by striking from line four (4) thereof the word "ten"
- 3 and substituting in lieu thereof the word "twenty."

### EXPLANATION OF H. F. 129

1. The business of an Employment Agency is the sale of a personal service and differs in no material respect from that of a doctor or lawyer. Fixing an agency service charge limits the quantity and quality of service that the agency may render. Time is the essence of all employment service. It is senseless to talk about a high fee or a low fee if employment is delayed. To be out of employment means not only the loss of wages or salary during that period, but living on the reserve or going into debt, so that an agency that can render the best possible service in the shortest time is in many respects the cheapest agency to patronize regardless of fee.

It is not the question of high fee or low fee, but rendering the service the fee permits.

It has been clearly established that labor and service is property. Every man or woman should be privileged to derive from their property reasonable returns and to freely contract with the other party therefore.

It is not incumbent upon any man or woman to seek the services of a fee charging employment agency, and nothing should be put in the way of their doing so and receiving the best possible service, and paying a fee large enough to enable the agency to render the type of service the agency desires to render and at a profit, which every man and woman is entitled to.

2. The operating costs of a private employment agency have more than doubled, while our fees are at the 1941 level. The private placement agencies of Iowa desire a reasonable return for efforts put forth.

3. The Teacher Placement Agencies of Iowa work with the same class of people as the "White Collar" Placement Agencies. Their fee is 5 per cent of the yearly salary, which amounts to 60 per cent of the first month's salary.

4. The Private Placement Agency has a definite place in the business world due to its confidential service. Two of Iowa's Private Placement Agencies have gone out of business in the past year due to the low fee rate.